



## THE STELLA FOREVER FUND

THE ENDOWMENT FUND OF THE STELLA PRIZE INC  
ABN 15 021 275 082

### ANNUAL FUND REPORT FOR THE YEAR ENDED 30 JUNE 2022

#### 1. Objectives

The Stella Forever Fund (the Fund) was established in July 2016. The purpose of the Fund is to raise AUD\$3m over a 10-year period to fund the prize money of the annual Stella Prize in perpetuity.

#### 2. Principal Activities

In its sixth year of operation, the Fund achieved its objective and has now raised AUD\$3m to fund the prize money in perpetuity. Some donors have pledged to make donations totalling \$476k in later years.

#### 3. Operating Results

The Fund's surplus for the year ended 30 June 2022 was \$1,589,751. This was made up of:

	2022	2021*
Donations – Public	1,826,164	27,500
Investment Income	55,822	19,863
Market movement	(292,235)	168,643
Total	<b>\$1,589,751</b>	<b>\$216,006</b>

#### 4. Financial Position

The Fund has retained earnings of \$2,462,081 as at 30 June 2022.

	2022	2021*
Opening balance	872,330	656,324
Plus current year earnings	1,589,751	216,006
Closing balance	<b>\$2,462,081</b>	<b>\$872,330</b>

\* These numbers were restated from the prior year to reflect how we now recognise earnings and pledged donations.

The net assets of the Fund as at 30 June 2022 were invested as follows:

	2022	2021
Cash on deposit	601,620	120,920
Share investments	1,860,461	751,410
	<b>\$2,462,081</b>	<b>\$872,330</b>

## **5. Investment Policy and Returns**

The Investment Committee has appointed Pitcher Partners as Investment Manager. Their services are provided on a pro-bono basis. Funds are invested by Pitcher Partners in accordance with the Fund's Investment Strategy.

For the year ended 30 June 2022 the annualised internal rate of return on the Fund's invested assets was -11.61% (2021: 19.48%). This negative return reflects high market volatility associated with increased inflation, increased interest rates, war in Europe and the ongoing impacts of COVID-19. The annualised internal rate of return for the 3 years to 30 June 2022 was -3.62% (2021: 7.3%). The Investment Committee continues to monitor investment performance closely.

While the market movement in investments was negative this year, the Fund has a long-term investment objective which is to preserve the real value of contributions to the Fund and to generate annual income ultimately for funding the annual Stella Prize. The Fund will accept short-term and medium-term volatility provided that long-term returns meet or exceed investment objectives. The strategic asset allocation is:

- Growth assets – 70%
- Defensive assets – 30%

The Fund is committed to investing responsibly, having regard to environmental, social and governance risks and opportunities. This is achieved by applying both positive and negative social screens to avoid investing in business activities that are not socially or environmentally responsible. Investments are preferably placed only with investment managers that are signatories to the United Nations Principles of Responsible Investing and/or members of the Responsible Investment Association of Australia. At 30 June 2022 the majority of investments were in ethical investment products:

## **6. Committee Members**

The Investment Committee members are:

- Chair – Keren Murray
- Deputy Chair – Claire Wivell Plater
- Treasurer – Mary Latham
- Secretary – Abbey Burns